

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2002-153-E - ORDER NO. 2006-378
JUNE 16, 2006

IN RE: Application of Duke Power Company, LLC) ORDER APPROVING
DBA Duke Energy Carolinas, LLC for) REQUEST TO MODIFY
Approval of the Levelized Billing Program for) LEVELIZED BILLING
Residential Customers) PROGRAM

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of Duke Power Company, LLC d/b/a Duke Energy Carolinas, LLC (Duke Energy Carolinas) for approval to change the risk fee stated in its Levelized Billing Program (the Program), Leaf No. 322 to 4.1%. In addition, Duke Energy Carolinas proposes to change the name of the Program to Fixed Payment Program to align with the marketing materials used in connection with the Program.

Initially, Duke Energy Carolinas requested and received Commission approval to include a risk fee of 4.4% in calculation of fixed payment amounts charged under the Program. The risk fee includes a component related to expected normal growth in customer's electric consumption. This percentage was previously established at 0.6% per year, based on historical data. Duke Energy Carolinas proposes to reduce this percentage to 0.3%, based on projected normal customer growth as derived from Duke Energy Carolinas' Fall 2005 Forecast. As a result of this change, the risk fee will be revised from 4.4% to 4.1%. This reduction will result in lower fixed payment amounts offered to

customers either currently enrolled in the Program or considering enrollment to the Program.

We would note that the Office of Regulatory Staff has reviewed this filing, and does not have an objection to the request for a reduction in the risk fee. ORS understands that this reduction will result in lower fixed payment amounts offered to customers either currently enrolled in the Program or considering enrollment in the Program. Further, ORS has no objection to the request to change the name of the Program. ORS does state that the South Carolina First (Proposed) Revised Leaf No. 322 will supersede South Carolina Original Leaf No. 322, not South Carolina Original Revised Leaf No. 322 as indicated in the filing. ORS believes that the word “Revised” should be deleted from future copies filed pursuant to Commission approval.

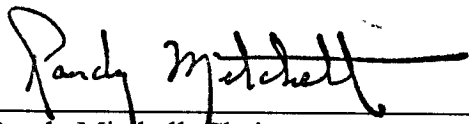
We approve both the reduction in the risk fee from 4.4% to 4.1% and the change in the name of the Program to Fixed Payment Program. We also agree with ORS’ assertions regarding deletion of the word “Revised” from future copies of the document. Clearly, the reduction in the risk fee will result in lower fixed payment amounts offered to customers either currently enrolled in the Program or considering enrollment in the Program. Also changing the name of the Program will align with the marketing materials used in connection with the Program.

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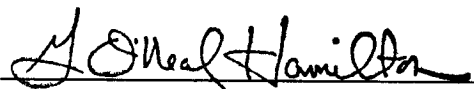
Accordingly, the request of Duke Energy Carolinas is approved. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Chairman

ATTEST:



G. O'Neal Hamilton, Vice-Chairman

(SEAL)